

SENATE BILL REPORT

SB 6881

As Reported by Senate Committee On:
Ways & Means, March 8, 2010

Title: An act relating to a new surcharge on certain recorded documents for preservation of local archive documents and the Washington state heritage center.

Brief Description: Concerning a new surcharge on certain recorded documents for preservation of local archive documents and the Washington state heritage center.

Sponsors: Senators Fraser, Honeyford and Prentice.

Brief History:

Committee Activity: Ways & Means: 3/08/10 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6881 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Fairley, Honeyford, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore and Rockefeller.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Brandland, Hewitt and Parlette.

Staff: Brian Sims (786-7431)

Background: Document Recording Surcharges. County auditors record deeds and other written documents required by law. In addition to the general recording fee of \$5 that is established by statute, county auditors are obligated to impose numerous surcharges, each for a specific purpose or program, upon each recorded instrument. Examples of the surcharges include the following:

- \$5 for historical preservation or programs;
- \$10 for providing shelter and housing through an affordable housing for all account;
- \$30 for local homeless housing and assistance; and
- \$2 for the Washington State Heritage Center.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Document recordings for the transfer or substitution of deeds of trust are exempt from the statutorily required surcharges for affordable housing.

The Washington State Heritage Center project is undergoing revisions to its preliminary design in order to modify the scope of the project to fit within the intended financing of the project.

The Local Government Archives Account provides grants to local government to assist in the processing and retention of government records.

Summary of Bill (Recommended Substitute): A \$8 surcharge is established that applies to assignments or substitutions of previously recorded deeds of trust recorded with a county auditor. These funds must be transmitted monthly to the State Treasurer for deposit into the Washington State Heritage Account (67 percent) and the Local Government Archives Account (33 percent).

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): Reduces the fee from \$27 to \$8.

Appropriation: None.

Fiscal Note: Requested on March 2, 2010.
[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This fee will help accomplish an important new facility for Washington State. It will bring the state library back to the capital campus, and make our heritage and historic records and documents available to all. It will provide teaching exhibits for all the school children who visit the capital campus.

CON: It is not time to add costs to the home sale market. This will increase to costs to local banks and will create a new line item at closing. There is no certainty that the local archives money will not be swept into the general fund again.

Persons Testifying: PRO: Sam Reed, Secretary of State; Michael Cruse, Timberland Regional Library; Tim Mallory, Washington Library Association; Jan Walsh, Washington State Library; Scott Morrison, citizen; Jerry Handfield, State Archivist.

CON: Debbie Wilke, Washington Association of County Officials; Corky Nottingly, Yakima County Auditor; Walt Washington, Kitsap County Auditor; Greg Pierce, Washington Mortgage Lenders, Washington Financial League; Denny Eliason, Washington Bankers Association; Brad Tower, Washington Community Banks.